

Crude Oil



Crude inventories fell by 2.2 million barrels this week. The decline was 54% larger than the expected decline but 22% smaller than the 5-year average decline. A 0.4% decline in domestic production offset a decline in crude flowing to refineries and a growth in imports. Inventories have worsened to only 0.8% above last year and 5.6% above the 5-year average. However, they are at their highest level for this date since 1994.

Spot prices and futures prices both rose for the week as prices reacted to the Alaskan pipeline leak, rising equity prices, a weaker dollar, the larger than expected inventory decline, and outages in the North Sea. Futures prices were \$1.21 higher this week settling at \$95.03. This was \$11.50 (13.8%) higher than last year. The spot price settled at \$91.83, \$11.07 (13.7%) higher than a year ago. Both prices are about 36% below their 2008 peak prices.



Natural gas



Inventories fell this week by 138 BCF. The inventory decline was slightly less than the expected decline of 146 BCF but with the cold, wintery weather, it was 28% larger than the 5-year average decline of 108 BCF. At 2,959 BCF, this week's inventory level is the second highest ever for the time period. It trails 2007's record high of 3,000 by only 1.4%. It is 2.4% above last year and 5.7% above the 5-year average.

Forecasts for continued cold weather and the influence of soaring crude oil prices pushed prices higher this past week. Futures and spot prices gained 11.5 and 3.0 cents per million BTU this past week. Futures prices settled at \$4.752 per million BTU. This was \$1.138 (19.3%) lower than a year ago and 64.4% below the 2008 peak. They have risen by 38.2 cents over the past three weeks. Spot prices settled at \$4.550 per million BTU. They are \$1.010 (18.2%) lower than a year ago and 65.8% below their 2008 peak. Spot prices have risen by 54.0 cents over the past three weeks.

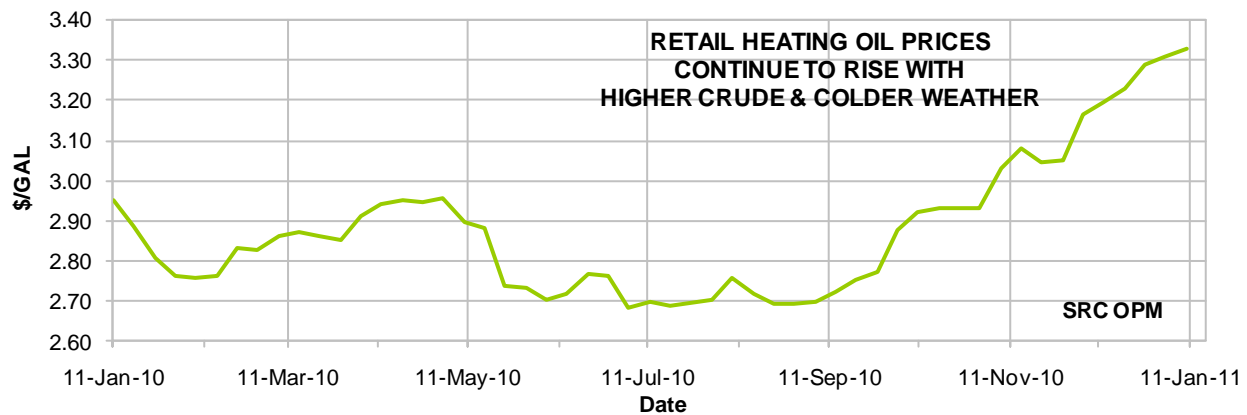


Heating oil



Distillate stocks increased by 2.65 million barrels this week compared to expectations of a 1.0 million gain and a five-year average decline of 3.3 million. Stocks are 2.8% above last year and they are the highest for this date since 1983, 16.5% above the five-year average.

Futures prices and spot prices have risen by about 36 cents over the past 8 weeks from higher crude prices and colder weather. Futures prices settled at \$2.644/gal, 44.5 cents (20.2%) above last year but \$1.551 (37.0%) below 2008's peak. Spot prices are at \$2.605/gal, 50.3 cents (23.9%) above last year but \$1.475 (36.1%) below the 2008 peak. Retail prices rose by 1.9 cents this past week. They are now at \$3.329/gal, 37.9 cents (12.8%) above a year ago but \$1.438 (30.2%) below their 2008 peak. Prices have risen by 28.6 cents over the past 7 weeks. The highest price in this week's survey was \$3.999 and the lowest was \$3.000. Prices are at their highest level since October of 2008. According to census data, 49.1% of dwelling units in Connecticut heat with oil.



Connecticut Regional Heating Oil Prices

	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
11-Jan-10	3.075	3.499	2.740	2.924	3.099	2.740	3.004	3.299	2.789
27-Dec-10	3.426	3.899	3.040	3.307	3.499	3.099	3.248	3.390	3.050
3-Jan-11	3.435	3.899	3.040	3.345	3.690	3.099	3.261	3.390	3.050
10-Jan-11	3.466	3.999	3.100	3.360	3.690	3.149	3.251	3.400	3.050
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
11-Jan-10	2.993	3.099	2.899	2.949	3.099	2.790	2.878	2.979	2.800
27-Dec-10	3.333	3.499	3.189	3.291	3.499	3.140	3.223	3.299	3.129
3-Jan-11	3.347	3.499	3.259	3.303	3.499	3.140	3.248	3.319	3.129
10-Jan-11	3.357	3.499	3.279	3.322	3.549	3.140	3.263	3.359	3.160
	NEW HAVEN								
	AVG	HIGH	LOW						
11-Jan-10	2.872	3.099	2.650						
27-Dec-10	3.199	3.399	2.900						
3-Jan-11	3.215	3.399	2.990						
10-Jan-11	3.236	3.399	3.000						

OPM conducts a weekly survey of retail heating oil prices in Connecticut. These figures reference the most recent results of that survey for the reporting week beginning January 10, 2011. Figures reflect per gallon prices without discount.

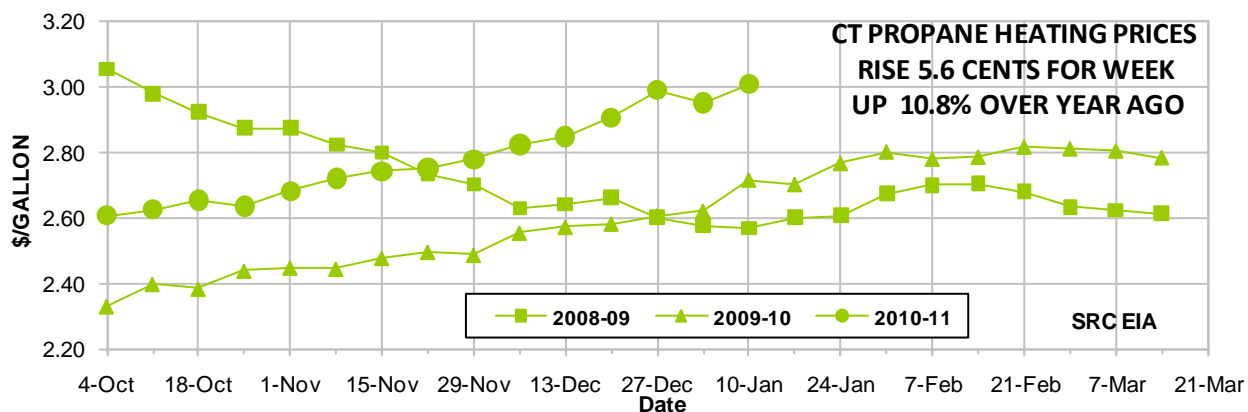
For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information

Propane



Propane inventories fell by 2.0 million barrels this week. This compares to a 5-year average decline for the week of 1.4 million barrels. Current storage levels have improved to 8.8% above last year but lag the 5-year average by 4.9%.

Spot propane prices generally track crude oil prices. They followed crude higher this week, rising by 5.8cents/gal. They have increased by 19.3 cents over the previous 8 weeks. At \$1.374 per gallon Wednesday, spot prices were 8.0 cents (6.2%) higher than a year ago but 30.6% lower than their peak 2008 price. The average Connecticut retail price for home heating rose to \$3.009/gal in this week's survey. This is 5.6 cents above last week and 29.2 cents (10.8%) higher than a year ago. According to census data, propane is used to heat 2.7% of homes in Connecticut.



Gasoline



Gasoline inventories rose by 5.1 million barrels this week as winter storms curtailed gasoline demand and imports grew by 70%. The increase was 5 times the expected gain of 1.0 million and twice the 5-year average gain of 2.5 million barrels. Inventories levels are 0.1% above last year and they have improved to 4.0% above the 5-year average.

Futures and spot prices grew by 3.6 and 1.0 cents/gal this past week. At \$2.508/gal, futures prices are 34.2 cents (15.8%) higher than last year. They are \$1.103 (30.6%) below their 2008 peak. Spot prices were at \$2.462/gal. This is 37.4 cents (17.9%) higher than a year ago. Spot prices are 27.8% (\$0.950) below their 2008 peak. Connecticut retail prices rose by 1.6 cents this week and by 30.9 cents over the past 10 weeks as gasoline reacted to higher crude prices, slower gasoline inventory growth, and improving demand. At \$3.296, prices are 39.7 cents (13.7%) higher than a year ago but 24.9% (\$1.094) below 2008's peak.

